

R. P. C.

AGREEMENT

BETWEEN

HER MAJESTY,

Represented by the Honourable the Commissioner of Crown Lands
for the Province of Ontario,

AND

THE STURGEON FALLS PULP COMPANY,

(Limited)

Dated the 6th day of October, 1898.

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY.



TORONTO
WARWICK BROS & RUTTER, PRINTERS, ETC., 68 AND 70 FRONT STREET WEST.
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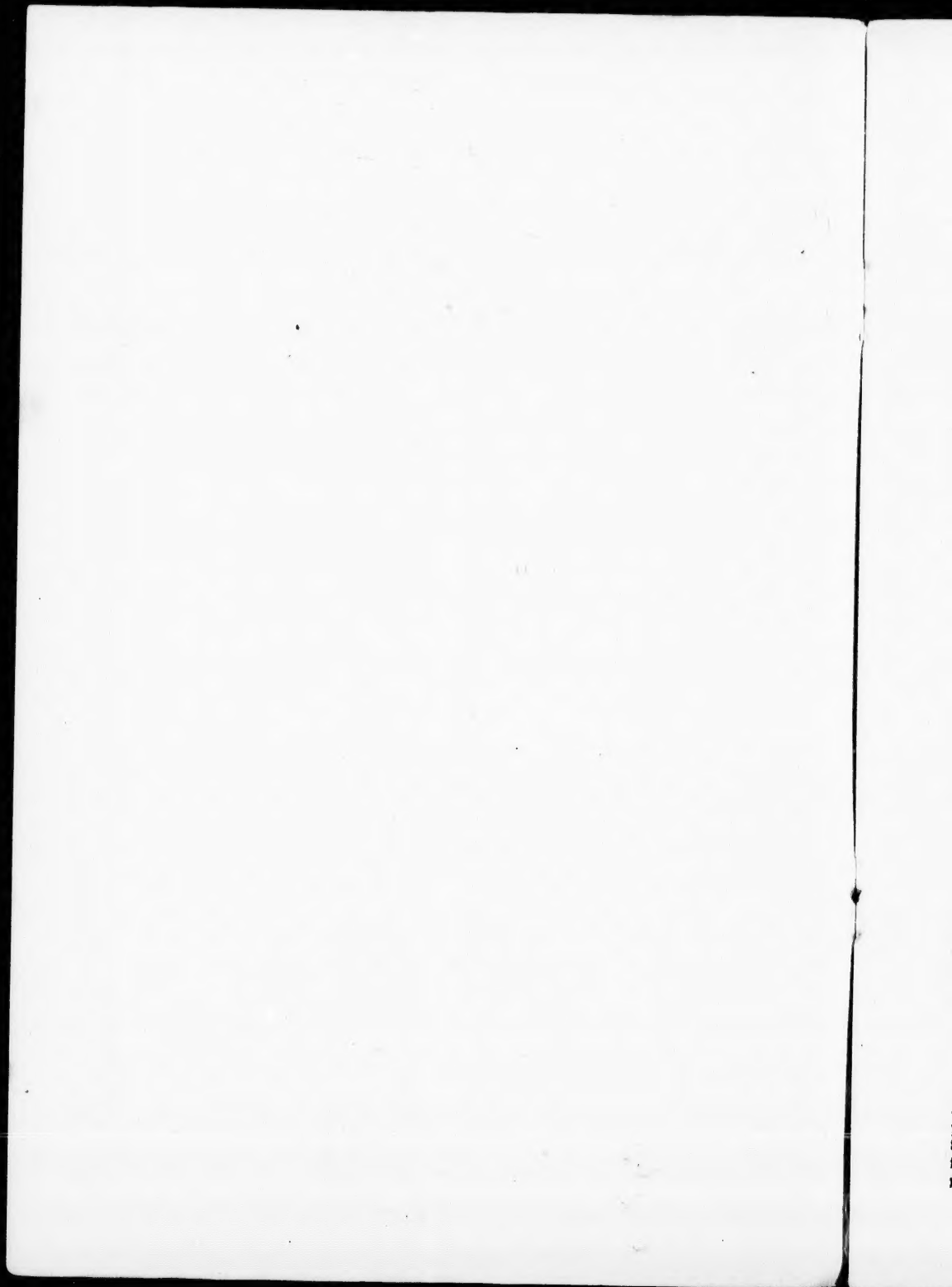
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AGREEMENT.

This agreement, made in duplicate this sixth day of October, in the year of our Lord one thousand eight hundred and ninety eight, between Her Majesty, represented by the Honourable the Commissioner of Crown Lands for the Province of Ontario, hereinafter called "The Government," of the one part, and The Sturgeon Falls Pulp Company (Limited), a joint stock company duly incorporated in England under the provisions of the Companies Act of 1862 and 1893 and hereinafter called "The Company," of the other part.

Whereas the Company is now in treaty with The Sturgeon Falls Pulp Company (Limited), a company duly incorporated in Ontario under the Ontario Joint Stock Companies Act for the purchase of the pulp mill and machinery, lands and premises, and all the plant, material, stock of pulp wood and other assets of the said Ontario Company in connection with its pulp manufacturing business at Sturgeon Falls, in the District of Nipissing, including water power, and intends to expend a considerable amount of capital in extending and improving the said mill property, machinery and plant and the said business to the intent that the same shall in the future and after the said purchase has been carried into effect be carried on by and in the name of the Company.

And whereas the Company proposes to construct, equip and operate in or in the vicinity of Sturgeon Falls aforesaid an extensive paper mill in connection with its pulp manufacturing business and to expend a large amount of capital in connection therewith and from time to time to extend the same.

And whereas the Company is desirous of obtaining from the Government of the Province of Ontario the right to cut from and upon certain Crown lands of the Province such pulp and other wood as is necessary for its use in the carrying on of the said enterprises and in manufacturing pulp and paper and any other commodity which can be manufactured from such woods at the said mill and at any other mill or mills which the company may find it necessary to construct, buy, lease or operate in connection with its business.

And whereas this agreement is entered into for the purpose of ensuring the performance by the Company of its obligations as hereinafter defined and of securing to the Company a continuous supply of wood for the purpose of its business upon the terms and subject to the conditions and stipulations hereinafter contained.

Now, therefore, it is agreed between the Company and the Government as follows, that is to say:

1. The Company shall forthwith proceed to carry into effect the purchase now in progress from the said Ontario company of the property at Sturgeon Falls, being the pulp mill, water power rights, building, machinery, stock in trade, plant, implements, stock of pulp wood and lands, and generally the assets of the said company used in connection with its present pulp manufacturing business, and when so required will duly operate, and so long as this agreement is in force will continue to operate the same and will extend its operations from time to time as demanded by the exigencies of its business, and so that the same will be worked to at least the capacity of 5,000 tons of pulp per annum.

2. The Company will also with all convenient dispatch proceed to the construction of a paper mill at or near Sturgeon Falls aforesaid or in the vicinity of the waters of the Sturgeon river and will thoroughly equip the same so that the expenditure of the Company in the construction and equipment of the said paper mill will be at least the sum of \$1,000,000, and will operate the same so that at least 30,000 tons of paper will be manufactured annually, and at least 240 hands on an average continuously employed in connection therewith. Of the said sum of \$1,000,000 not less than \$250,000 shall have

been expended at the expiration of 18 months from the date hereof and not less than \$500,000 at the expiration of two years from the date hereof and the balance before the expiration of three years from the date hereof.

3. In consideration of the said purchase from the Ontario company and of the expenditure in the last preceding paragraph set forth the Government will grant to the company for use in their said business the right for a period of 21 years from the date hereof to cut and remove spruce, poplar, tamarac and banksian or jackpine and hardwoods six inches and upwards in diameter to enable the said Company to work the said pulp and paper mills and extensions thereof to their full capacity from the time when the Company commences cutting under this contract from the lands of the Crown which may be at any time unoccupied, unlocated or unsold along the Sturgeon river in the district of Nipissing and along its extensions or tributaries to a straight line drawn due east and west across Lake Temagaming immediately south of Bear Island and produced in a straight line easterly from the shore of the said lake and the said line following on the west side of the said lake the watershed of the said Sturgeon and its tributaries (the intention being that no cutting shall take place on the west shore of Lake Temagaming nor on streams flowing into Lake Temagaming north of the intersection of the shore of said lake by the said straight line) and along all tributaries of the said river and extensions thereof which fall into the said river and its extensions south of the said lines for a distance extending back from the shores thereof of five miles except as to islands in Lake Temagaming on which no cutting is to take place and which are to be exempt from the terms of this agreement for the rates and prices hereinafter set forth and provided and subject to such reasonable terms, conditions and regulations as to the cutting, removing and driving of the same as may from time to time be imposed by the Lieutenant-Governor in Council and subject also as is hereinafter set forth and contained.

4. The Company may select and delimit or set out 75 square miles of unoccupied and unlicensed public land from and in said territory, upon which is to be found the woods aforesaid, but in such a way that merely patches of land covered specially by spruce shall not be particularly selected.

5. The Government will from time to time, and as occasion may require, grant permits to the Company to cut elsewhere within the said territory than on the said 75 miles, at places to be agreed upon between the Company and the Government, or the agent appointed by the Government for that purpose, so many cords of the said woods as may be necessary to keep the mills running, less the amount which may be taken from the said 75 miles, which latter shall not be less in any one year than the one twenty-first part of the entire quantity required for the year for the use of the said mills and the rates and prices payable in respect of the cutting upon the territory outside the said 75 miles shall be the same as the rates and prices in respect of the cutting on such reservation.

6. The Company shall pay 20 cents per cord of 128 cubic feet for spruce and hardwood and 10 cents per cord of 128 cubic feet for the other woods above mentioned, or such other prices as may from time to time be fixed by the Lieutenant-Governor in Council for such wood, but in no case shall the price so to be fixed be at higher figures than the price at which the general public shall be permitted to cut on other portions of the Crown domain or than others similarly situated shall be permitted to cut.

7. No wood shall be cut under this agreement until after the property so to be purchased from the Ontario company shall have been acquired and paid for, but the cutting of wood for the use of the said pulp mill so being purchased from the Ontario company may begin as soon as the said purchase has been carried into effect.

8. The Crown may revoke the right, license or permit to cut whenever the Company shall fail to comply with the terms of this agreement.

9. It is distinctly understood and agreed that only the right to cut wood as aforesaid is sold to the Company, and not the soil or any part thereof, nor is any interest in the soil so sold except in so far as may be necessary to cut and remove the woods as aforesaid, and the wood when so cut shall (subject to the payment of the price thereof) become the absolute property of the Company.

10. This concession is not to impede or retard settlement by actual *bona fide* settlers who shall have obtained the right from the Crown Lands Department to settle thereon in the usual manner.

11. Nothing herein contained or to be done hereunder or by virtue hereof shall entitle the Company to a monopoly in the use of the said river or its tributaries, but the same shall be and continue open for the use of the public in accordance with the law in that behalf. But in view of the character of the industry to be established, the investment of so large an amount of capital and the probable enlargement of the industry in the near future it is understood that the Government will not grant, sell to or confer upon any other person or persons, corporation or corporations the right to cut pulp-wood within the territory hereinbefore referred to for the purpose of export before being manufactured into pulp or the right cut to pulp-wood within or upon the said territory, the granting of which rights would in the opinion of the Commissioner of Crown Lands for the time being have the effect of so far lessening or diminishing the supply of pulp-wood in the said territory during the period covered by this agreement and which under this agreement will be available for the making of pulp by the Company as to the prejudicially interfere with the Company during that period in obtaining all the pulp-wood necessary for supplying the said mills and any extensions thereof that may be made in the meantime or extensions which may be under construction and *bona fide* in process of completion, but nothing this paragraph or in this agreement shall prevent the sale or location to actual settlers of any part of said lands in the usual manner.

12. It is distinctly understood and agreed that nothing herein contained shall without the consent in writing of the Commissioner of Crown Lands for Ontario be deemed to confer any right to cut or remove timber from any territory or areas already under license from the Crown or which may hereafter be placed under license for the cutting of pine timber nor shall any cutting take place under this agreement in or in the immediate proximity of territory covered with green merchantable pine available for lumbering purposes or which may be considered by the Government to be pine-bearing lands. If, however, the wood in the other parts of the available territory has been exhausted or is insufficient for the requirements of the Company's mills, the Company may cut in the vicinity of such pine-bearing lands upon such terms and condition as may from time to time be agreed upon between the Government and the Company or if they cannot come to an agreement then upon such terms, conditions and regulations as may from time to time be made or imposed by the Lieutenant-Governor in Council or by the Commissioner of Crown Lands for the purpose of affording ample protection to the standing pine.

Provided, however, and it is understood and agreed that the Company shall not be entitled to cut wood of any kind on said territory or on any part thereof for the purposes of export in the wood nor for sale to other persons for export in the wood.

Provided further, that there shall be no limitation other than as to export and size of wood of the right of the company to cut or remove pulp-wood from the seventy-five square miles hereinbefore referred to, after the same shall have been delimited and set apart.

13. It is hereby agreed that nothing in this agreement contained shall prevent the Government from selling the right to any person or persons to cut the pine trees on any part of the territory hereinbefore mentioned which has not already been placed under license, and to grant timber licenses in respect thereof under the statutes and regulations in that behalf, and in no case shall the company be entitled to cut the pine trees other than banksian pine unless under special permit or license from the Government or the

Commissioner of Crown Lands; and further, that no part of the said seventy-five square miles shall be composed of pine-bearing lands unless where expressly permitted by the Commissioner of Crown Lands. But in the case of a sale of the right to cut pine trees as in this clause hereinbefore mentioned, the sale of the right to cut shall be confined to the pine trees only and to such other timber as may be necessary to cut and remove the same.

14. Nothing herein contained shall require the Government to provide any particular quantity of wood, as the Government in no case guarantees quantities or does anything more than grant the right to cut such wood as aforesaid within the aforesaid limits, and nothing herein contained shall require the company to purchase any particular quantity of wood, or to pay for any wood not actually cut upon the said territory, but it is clearly understood and agreed that so long as the supply of wood upon the said territory is sufficient to supply the mills of the Company herein referred to, the Company will take its supply of wood therefrom.

(a) It is also hereby declared that the intention of these presents is that the said Company shall at all times during the term of twenty-one years from the date hereof obtain a sufficient supply for their pulp and paper mills so far as the same can be found available within the limits hereinbefore described, and so far as the same can be obtained consistently with the terms of this agreement.

15. If the Company shall not complete its purchase from the Ontario company within three months of the date hereof this agreement shall immediately after the said period become null and void and of no effect.

16. If the Company shall complete the said purchase from the Ontario company within the period aforesaid and shall not within three years from the date hereof expend at least a sum of \$1,000,000 in erecting the said paper mill, and in the construction and equipment thereof, and in preparing for the operation of the same, and for getting out the wood for the supply of the said mills, this agreement shall become null and void and of no effect in so far as the whole territory is concerned.

17. Settlement shall be made with the Government at the close of each season of navigation for the price of the wood cut up to that time, and a correct account of all wood cut by the Company shall be kept in the books of the Company in such manner as the regulations made, or to be made, shall provide, and to which the officers of the Crown shall at all times be entitled to access, and returns shall from time to time be made under oath by the Company to the Crown of the quantities cut, as the Crown or as regulations as aforesaid may require.

18. Subject to the provisions of paragraph 16, in the event of the failure on the part of the Company to erect the said paper mill plant and expend the moneys thereon hereinbefore stated, or in default of the said Company keeping the said paper mill running after the erection thereof and keeping the required number of men employed as aforesaid, the Government may refuse to permit the continuance of the cutting of the said wood.

19. The Company covenants with Her Majesty that it shall and will not at any time or in any place deposit, empty, run or turn into or permit to be placed, deposited, emptied, run or turned into any river, stream or other waters whatsoever, refuse, sawdust, chemicals or matter of any other kind which will have the effect of destroying, harming or driving away the fish in such river, stream or water.

20. This agreement is now executed by Ernest A. Bremner, of London, England, on behalf of the Company, and it is agreed that if the same shall not be executed by the Company under its corporate seal and by the hand of the proper officers thereof within

one month after its execution by the Government and by the said Bremner, the Government may at its option revoke and cancel the same.

21. Whenever the expression "The Company" shall occur in this agreement, it shall be understood to include the successors and assigns of the Company.

22. This agreement is provisional only until approved by resolution of the Legislative Assembly.

In witness whereof the Commissioner of Crown Lands has hereunto set his hand and seal, and the company has set its corporate seal and the hand of its Chairman and Secretary.

Signed, sealed and delivered in the presence	}	(Sgd) J. M. GIBSON,	[Seal.]
of			
(Sgd) AUBREY WHITE.	}	(Sgd) ERNEST A. BREMNER.	[Seal.]

Signed, sealed and delivered by the above	}	
named Ernest A. Bremner in the pre-		
sence of		
(Sgd) H. GILMOUR CAMPION,		Solicitor, London, England.

The common seal of the Sturgeon Falls Pulp	}	
Company, Limited, was on the 21st		
day of October, 1898, hereunto affixed		
in the presence of		
		[Seal.]

(Sgd) MAURES HORNER, Chairman.

(Sgd) R. W. MARCHANT, Secretary.